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VX-117 25X1A2d1

16 SEP 1968

MEMORANDUM FOR: Comptroller

SUBJECT : Costs of Government and Private
Retirement Plans

REFERENCE : Memo for Record from C/SS/IOD, dated
19 August 59, subject Proposed
[REDACTED] Provident Fund Plan

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1. The Office of Personnel has been given a primary responsibility for staff review of any retirement plan (or revisions thereof) of organizations controlled or significantly subsidized by CIA. In this connection it has been noted that your office has expressed its great concern with the cost to the Government of each of two recently proposed retirement plans, i.e., [REDACTED] and [REDACTED]. In each case the concurrences of the Comptroller were qualified so as to indicate grave doubt as to full approval except for the post facto nature of the formal coordination and approval document.

2. With respect to the Provident Fund Plan for [REDACTED] the specific comment was made as a specific part of your concurrence:

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"The rate of 6% contributed to the plan by the project is excessive when compared to the retirement plans of other Agency projects."

3. In the absence of further explanation or substantiation of the above assertion, the Chief, Support Staff, IOD has made the attached survey of comparative retirement plan costs. One of the plans cited is that of the Civil Service and the others pertain to various Agency-sponsored organizations.

4. My cursory review of this comparative study leads me to question the accuracy and correctness of the comparison. I believe some of the plans are full retirement plans and others are only supplementary to social security. I also am very skeptical of the cited cost to the Government of Civil Service retirement at 9.4% since I have some presumably accurate and official figures indicating an actuarial cost to the Government of closer to 13%.

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5. In any event it is obviously undesirable to have widely divergent views prevailing in the Agency on a matter of this sort. I believe it is important that the Agency be in a position to give prompt and authoritative guidance when and if proposals for retirement plans develop in the future. Likewise divergences of views at the time of final coordination and authorization should preferably reflect differences of judgment and not differences of opinion on matters which have a solid basis in fact.

6. If you agree with me that now is the time to correct and correlate our factual views in this field, I would propose that your representative meet with Mr. [REDACTED] of this office and Mr. [REDACTED] of IOD to develop a common understanding.

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[REDACTED]

Deputy Director of Personnel

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